

Request for Information

V – Department of Defense Third Party Transportation Coordination and Related Services

Sources Sought Notice

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Classification Code V – Transportation, travel, & relocation services

NAICS Code: 488510 – Freight Transportation Arrangement

Contracting Office Address

United States Transportation Command, TCAQ (DTCI), 508 Scott Drive, Scott AFB IL 62225-5357

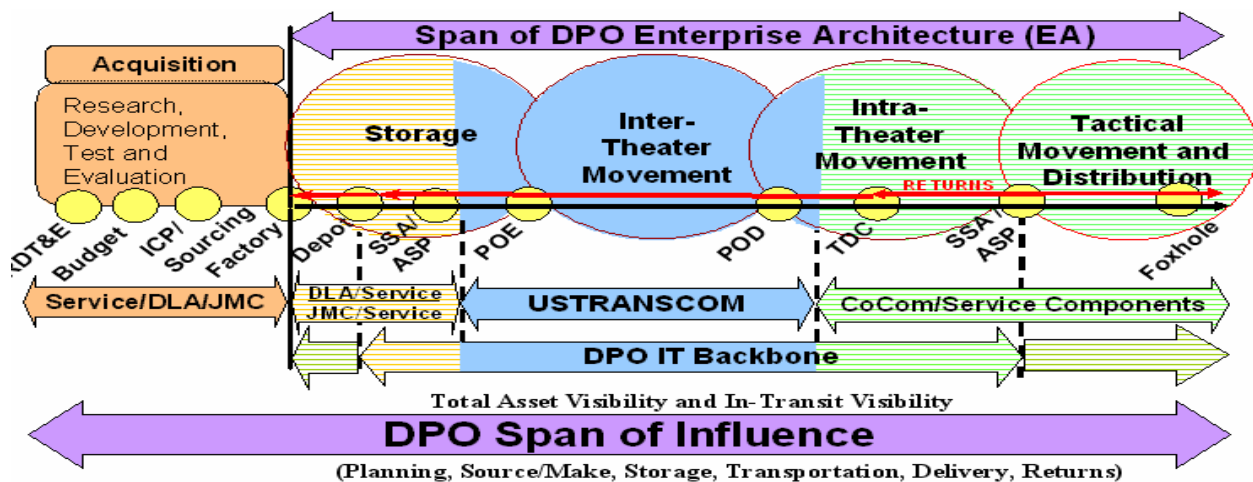
Title: Defense Transportation Coordination Initiative (DTCI)

1. DESCRIPTION

This is a Request for Information (RFI). The United States Transportation Command (USTRANSCOM) is responsible for providing for the transportation needs of the Department of Defense. On 16 Sep 03, the Secretary of Defense (SECDEF) designated the Commander, USTRANSCOM as Distribution Process Owner (DPO). Among the DPO's key responsibilities are to:

- Improve the overall efficiency and interoperability of distribution-related activities—deployment, sustainment, and deployment support during peace and war.
- Serve as the single entity to direct and supervise execution of the Strategic Distribution system.

The DPO's span of influence, as depicted on the following page, is from the factory, beginning with acquisition of needed supplies and materials, to the foxhole, from storage, to transport inter-theatre to transport intra-theatre, and to tactical movement and distribution.



DoD service agencies current business processes and segregated transportation management arrangements need to be transformed to reach the desired end state of total asset management and in-transit visibility. The Defense Transportation Coordination Initiative (DTCI) is one project moving DoD closer to achieving this goal focusing on the movement of requisitioned supplies/materials within the Continental United States (CONUS).

a. **DTCI Vision Statement:** Improve the reliability, predictability, and efficiency of DoD materiel moving within the Continental United States through a long-term partnership with a world-class coordinator of transportation management services

b. **Goals:**

- ☐ Improve operational effectiveness
- ☐ Improve visibility, reliability, & predictability
- ☐ Improve customer confidence
- ☐ Reduce cycle times
- ☐ Increase efficiencies
- ☐ Use commercial best practices
- ☐ Ensure strong small business participation
- ☐ Performance improvement enabled by metrics
- ☐ Reduce overall cost to the government

c. **Value Proposition:** Improve performance of distribution to CONUS-based operational forces and depots--with corollary dollar savings

d. **Strategy:** Gain management oversight of enterprise-wide transportation requirements and track performance trends and details. DTICI will:

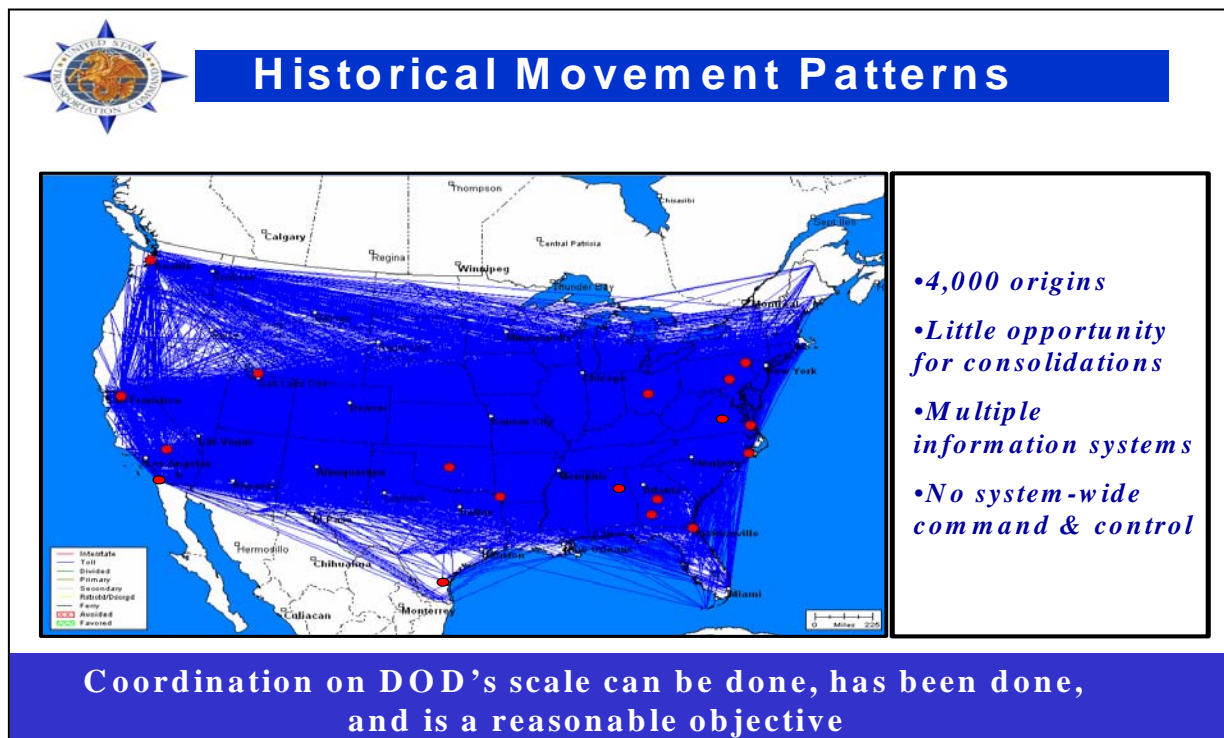
- Provide greater opportunities to generate full truck loads and modal shifts
- Provide opportunities to achieve efficiency through pooling and enroute consolidation
- Allow DoD management to re-focus more on bottom line performance and results

- Provide needed visibility into system-wide transportation movements
- Support the capture of more effective, complete, and timely performance metrics
- Provide performance metrics against desired goals
- Allow for improved management of resources
- Allow DoD management and resources to become focused on achieving further gains in distribution efficiency and effectiveness in the future
- Manage and coordinate previously decentralized DoD domestic freight movement

The DoD is committed to continual service improvements that will result in improved support of operational forces based in the US as well as DoD repair depots. Improving visibility of all traffic movement patterns and performance across the supply chain is the key to the creation of an adaptive supply chain. In addition to operational benefits, the corollary dollar savings that will accrue to the DoD Components from DTCI will be available for other critical needs.

2. BACKGROUND

Today, DoD shippers in the CONUS initiate freight movements using commercial freight transportation providers to myriad U.S. destinations, creating thousands of origin-destination pairs. Multiple information systems are employed to execute and manage shipment activity. There is no centralized planning, coordination, or control. Individual DoD shippers act unilaterally by independently selecting transportation mode, level of service, and transportation provider. There is limited collaborative visibility or coordination of movement requirements and therefore there are limited opportunities to leverage the entire DoD workload to create the volume needed to drive increased velocity and reduced cost. Such leverage is a well recognized “best practice” in high performing private sector distribution systems.



a. Scope of DTCI DTCI is a CONUS transportation management initiative focused on increasing operational effectiveness while simultaneously obtaining efficiencies by reducing cycle times and using best practices, such as increased consolidations / load optimization and modal conversions. The premise is for DoD to competitively award a long-term contract with a world-class transportation coordinator/coordinator(s) that will employ best commercial practices to achieve the goals stated above. The coordinator's scope goes beyond traditional freight forwarding and brokerage transactions. The coordinator will leverage current commercial capabilities and proven best transportation practices of commercial shippers to manage, consolidate, and optimize specified CONUS freight movements, using contractor chosen modes among DoD shippers. A multiple phased implementation approach is envisioned beginning with the 19 Defense Logistics Agency CONUS distribution centers. Based on the results of the DLA experience, the next phase may include the current Tailored Transportation Contract participants and other co-located DoD shippers within a specified radius to achieve maximum volume participation and corollary cost savings through consolidation and optimization of freight requirements. The final phase would include remaining DoD shippers throughout the CONUS.

The DTCI coordinator must have visibility of targeted freight movement requirements across the CONUS and have immediate access to a nationwide network of transportation providers to schedule and fulfill those requirements.

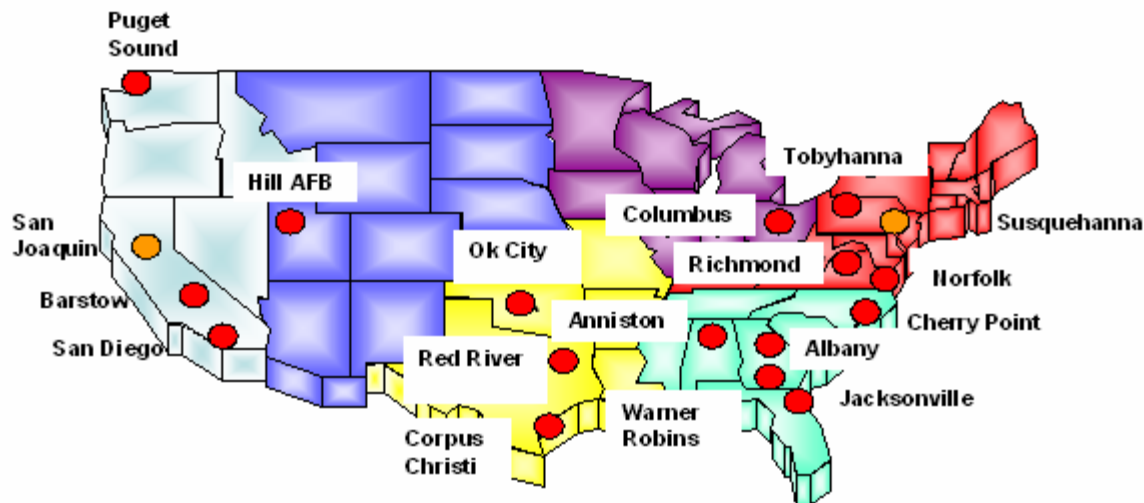
b. Requirements The DTCI coordinator(s) will provide transportation management services to arrange, coordinate, monitor, and control outbound freight shipments from receipt of shipment request information through final delivery; process timely payment to subcontractors and carriers for services provided; accept, process, and settle claims resulting from loss or damage; manage carrier quality and performance; assist in the identification and delivery of astray freight; provide In-Transit Visibility (ITV) information to the government's Global Transportation Network (GTN) within 4 hours of freight pick-up, delivery, and exception notices (any time a planned delivery will not be delivered as required by the shipper); The contractor must have a near-real-time shipment tracking system and provide full access to the shipper and other government employees specifically designated by the contracting officer; The contractor must initiate process improvement (continuous network improvements including shipment optimization, consolidation, routing improvements and other value-added services); and the contractor must provide the contract officer or his or her designee with customized management information reports related to shipment volume, costs, and other criteria that characterize and provide performance related views of the transactions included in this contract. The potential number of shipments that may be included in this initiative could exceed 2 million shipments a year with a combined freight weight of over 1 billion pounds per year. The contractor must have the capability to meet surges for wartime and other contingencies. This contract will have a phased approach predicated by location and commodities.

c. Exclusions In the initial phase, the government will exclude arms, ammunition, explosives or fireworks; missiles or rockets; narcotics and dangerous drugs; etiologic agents; government firearms and weapons; live animals; bulk commodities; human remains; coins; currency; precious metals; refrigerated cargo; food, fresh, frozen, or requiring refrigeration; postage stamps or stamped envelopes; express small packages less than 150 pounds; postal

shipments; unit moves destined for locations outside of the CONUS (by exception); sensitive and classified shipments or any items requiring transportation security service (Constant Surveillance Service is not excluded), the CONUS segment of transportation services provided under the SDDC Universal Services ocean carrier contracts; household goods, privately owned vehicles, hazardous waste. During the period of performance of the contract, and based on competitive pricing analysis, government may add some or all of the initially excluded workload to this contract.

d. Phased Approach (Draft)

The initial phase of DTCI is a partnership between the United States Transportation Command (USTRANSCOM) and the Defense Logistics Agency (DLA). The first phase will service 19 DLA depots:



Subsequent phasing will incorporate additional shipping locations to be served, i.e. locations within a 50-mile radius of the DLA depots (to include current TTC sites), service installations, and other DOD shipping activities. In final phases, the Military Services and other Defense Agencies will be encompassed into a total DoD partnership. A jointly staffed Project Management Office (PMO) has been established at USTRANSCOM to develop requirements, execute the acquisition, and provide implementation guidance over the life of the project.

1) Phase 1: DLA Depots (tentatively rolled out in increments over 12 months)

- DDTP – Tobyhanna, PA
- DDRV - Richmond, VA
- DDMA – Richmond, VA (Mapping)
- DDSP – New Cumberland, PA
- DDNV – Norfolk, VA
- DDCN – Cherry Point, NC
- DDWG – Warner Robins, GA
- DDAG – Albany, GA

- DDJF – Jacksonville, FL
- DDCO – Columbus, OH
- DDOO – Oklahoma City, OK
- DDRT – Red River, TX
- DDCT – Corpus Christi, TX
- DDHU – Hill AFB, Ogden UT
- DDJC – San Joaquin, CA
- DDDC – San Diego, CA
- DDBC – Barstow, CA
- DDPW – Puget Sound, WA
- DDAA – Anniston, AL

2) **Phase 2:** Selected higher volume (greater than 1000 shipments per year) Service shippers located (within a 50 mile radius) of the above DLA Depots.

3) **Phase 3:** Additional Service locations and agencies such as DCMA (selected activities to be identified in the RFP).

e. **Industry Interaction:** To build upon DoD's strong partnership with industry and to ensure a smooth and effective transition to the DTIC, many communication channels have been established to facilitate this exchange:

- Industry Day meetings, to provide and update information to potential bidders
- Presentations and participation at Industry Association and other government conferences and meetings
- DTIC website, www.doddtci.org
- Briefings and communication vehicles for multiple non-industry audiences (i.e., Congressional DoD oversight committee staffs, Small Business Administration, and internal DoD customers)

f. Key Milestones (Projected):

| | |
|------------------------|--|
| Third Quarter FY 2005 | Draft solicitation for industry comments |
| Fourth Quarter FY 2005 | Pre-solicitation conference |
| First Quarter FY 2006 | Final solicitation |
| Second Quarter FY 2006 | Receive Proposals |
| Third Quarter FY 2006 | Award/Begin Ramp-Up |
| Second Quarter FY 2007 | Begin Phased-In Performance |

g. Actions: Draft requirements documents will be released to industry and the services for comment in the April 2005 timeframe with notices published on FedBizOpps and on the DTCI website: www.doddtci.org. The draft solicitation in its entirety will be posted for industry review prior to conducting a pre-solicitation conference and site visit at the DDSF Depot. During this conference, a detailed briefing of the requirements will be presented, a site visit for offerors to facilitate an understanding of one of the most demanding and highly automated depot pick, pack and pull, operations, current transportation operations. Also, a similar site visit will be arranged for a different date for offerors to observe operations of a less demanding and less automated depot for the purpose of providing prospective offerors with an opportunity to understand the diversity and volume of workload between the DoD highest volume depots and the lowest depots in the DLS system. To assist in the client's and prospective offerors' interest, this RFI will be presented in an overview to DLA, the services and other stakeholders of interest. Instructions for proposal preparation will be discussed in conjunction with the source selection evaluation criteria leading to a best value contract award decision. Potential offerors will also be allowed to participate in one-on-one sessions with PMO representatives to address specific concerns or comments regarding the draft requirements. This session will not be a forum to market company specific capabilities or obtain information that has not been shared with industry. Specific instructions and information regarding the pre-solicitation conference will be provided as soon as the details are finalized. Upon issuance of a final solicitation, a pre-proposal conference is anticipated as well.

REQUEST FOR INFORMATION

The USTC PMO is requesting industry input and comment on the DTCI project in regards to commercial best practices and commercial transportation management capabilities outlined as follows. All interested parties who intend to submit a proposal in response to the upcoming Request for Proposal (RFP) as either a prime contractor, team, or potential subcontractor, are strongly encouraged to submit a response to this RFI. All RFI elements should be addressed to the maximum extent possible and formatted consistent with the format established in this RFI.

Responses on company letterhead must be submitted electronically no later than the date specified above to USTC-DTCI PMO@hq.transcom.mil. Point of Contact is Cathy Simpson, Contracting Officer, Phone (618) 229-4853. Please note that any responses to this RFI will be at your company's expense. USTRANSCOM will not provide any reimbursement for costs incurred with submitting a response. Further, the government will evaluate your response and use the information to complete market research and develop the solicitation using best commercial practices to the maximum extent possible. We highly recommend you not submit any information you deem as competitive sensitive or proprietary. If you choose to do so, recommend you appropriately mark the sensitive information to ensure proper safeguarding such as Corporate Proprietary Information and state the appropriate restrictions in the evaluation and use of the information provided. Responses should be as concise as possible although page limitations are not specified. Preclude inclusion of strictly advertising or marketing type information. USTRANSCOM appreciates your participation in this RFI as your responses are extremely to us in developing an optimal acquisition strategy for this critical project.

SECTION 1 - COMPANY INFORMATION

a. Company Name, Address, telephone, Fax, designated representative(s) name(s), POC, to include phone numbers and e-mail address.

b. Please identify business size and whether currently designated as a Small Business as defined in the Federal Acquisition Regulation FAR Part 19.1 and appropriate category, i.e. Small business (SB), Small disadvantaged business (SDB), Historically Underutilized Business Zone (HubZone), 8(a) program, service disabled veteran-owned, veteran-owned and woman-owned small business concerns. Small business size standards are published by the U.S. Small Business Administration (SBA) and may be found at www.sba.gov/size/sizetable2002.html. The applicable North American Industry Classification System (NAICS) code is 488510, Freight Transportation Arrangement is determined to be applicable to this requirement

SECTION 2 - CAPABILITY INFORMATION

a. Company's capabilities in terms of providing all of the complete scope – identify what capability of transportation management coordination services for phases 1, 2, and 3, and within what timeframe. If capabilities are limited to certain CONUS regions, or by type of shipments (best in breed), please specifically identify.

b. Your company's experience in providing transportation management coordination services. Compare such experience to the size, scope and complexity of the DTCI requirements, as you best understand the DoD requirement. If there are more refined details of the DoD requirements that you would need to know to respond to an RFP, what would you recommend they be? Briefly identify the largest projects you have managed either as a prime contractor or as a subcontractor or in a teaming relationship including shipment volume, ability to meet surge requirements, total revenue, performance goal results, and how long the relationship lasted.

SECTION 3 - INFORMATION TECHNOLOGY

a. Request information on your information technology capability. DTCI PMO requests information on how a coordinator would address IT interface requirements supporting In-Transit Visibility (ITV) and shipping information. The coordinator's systems must interface with government existing systems such as Global Transportation Network (GTN), GTN 21, DLA's DSS, GFM, CMOS, and other Service systems in support of this contract.

b. Identify what IT interface information would be required from the government in order for a coordinator to prepare an accurate, realistic, and feasible technical proposal? (specific data elements, etc).

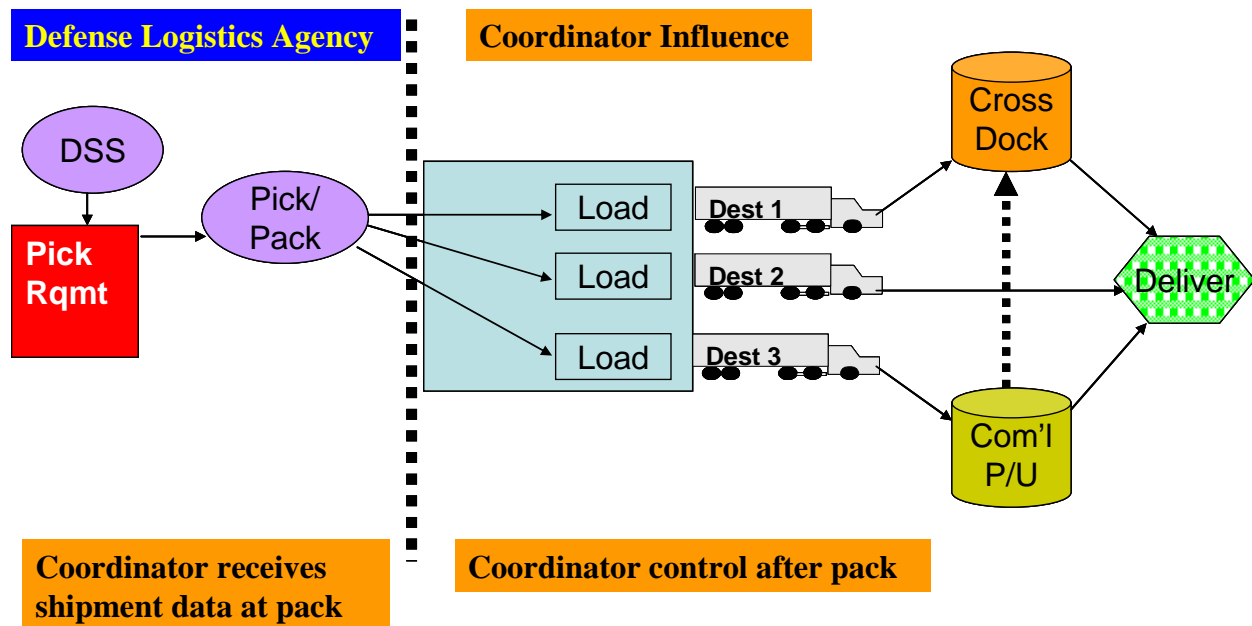
c. ITV is critical to the success of this project. How would the coordinator provide ITV on each shipment through the Government IT system of record (GTN, GTN 21)? Does your company currently possess this capability and if not, how much time and rough estimate of magnitude in terms of investment would be incurred to provide this capability? How would the coordinator provide 24 hour access to the coordinator's tracking system?

d. In terms of IT interfaces with client systems that are not commercial off-the-shelf system solutions (custom built systems), what is your experience in the time it typically takes to define, design, program, install and test the necessary interfaces prior to start up?

e. Other state of the art capabilities to provide ITV capability for all shipments under the coordinator's responsibility.

SECTION 4 - POINT OF INFLUENCE

a. In order to have sufficient time to perform optimized shipment planning solutions, where in the typical warehouse/shipping environment does your firm want to be given a movement requirement and how would you plan to engage the client warehouse operations from that point on? Recommend process and data flow diagrams be included for illustration purposes. If you have had actual experience with more than one method of inserting/interfacing your capabilities into the client's warehouse shipping process, please provide information on each of the methods you have had actual experience with and identify which method you believe is most prevalent in the marketplace, and which one would be the most desired and why?



Seeking Industry Input on process procedures for outloading

b. Can a coordinator achieve the most effective consolidation and optimization solutions if he is made aware of the shipment requirement after:

- i. Pick process
- ii. Pack process
- iii. Movement to loading dock staging area
- iv. Load process

c. What data must the client provide to you in the form of a requirement before you can optimize, plan, consolidate loads, and make carrier arrangements? What would be the optimal timeframe to receive this information?

d. If a coordinator did not have control on when/how an item is picked from the warehouse, how would he/she affect consolidation/optimization?

e. If a coordinator did not control how a truck was loaded, how would he/she affect consolidation/optimization?

f. Do you prefer to receive freight off the client's floor as generated and use your own cross-docking facilities (Hub) to plan and load the shipment? Why or why not?

g. At what point during the contract period would a coordinator request government adjust their internal processes in order to gain effectiveness/efficiencies?

h. From your experience, what are some typical examples of client warehouse process changes that you anticipate having to be made?

i. What access into the government process would a coordinator need in order to evaluate and make recommendations on potential internal process/systems changes to become more effective/efficient?

j. How would the coordinator propose providing rates and pick up information back to the DoD shipper system?

k. How would you envision interfacing with government warehousing/shipping/transportation personnel? What type of interfaces would you require?

l. Based on your knowledge of DTCl, can you envision an alternative to the coordinator as currently described under the DTCl concept? If so, provide details.

SECTION 5 - COMMERCIAL BEST PRACTICES

a. Performance based. How much authority would you envision the coordinator to have under this project given the process recommended above.

b. What commercial pricing structure would you recommend for DTCl, e.g.,

Transportation Management Fee - Firm fixed pricing provisions in terms of percentage of direct transportation costs, or by transaction fee, etc.

Direct Transportation Costs - Handled as cost reimbursable. Coordinator negotiates rates at or less than Government established rates.

c. Incentive provisions - Describe what type of incentive provisions would likely most motivate performance commensurate with the goals outlined for this project and what criteria would you apply. Award terms provisions for long term partnerships? Award fee provisions providing monetary incentives or both? Criteria under consideration are 1) IT/ITV capability; 2) on-time delivery; 3) optimization cost savings; 4) quality performance based on desired outcomes and metrics; 5) suggestions for government/coordinator process improvements; 6) small and disadvantaged business utilization; 7) subcontract management; 8) ramp-up time to commence operations; and 9) others for suggestion.

d. Performance metrics. Identify the key performance metrics you envision under this project and methods for measurement.

e. Describe the recommended process and timeframes for payments to sub-contracted carriers.

f. Describe how the coordinator would propose to adjust their subcontracts or how they adapt their business practices to changes in law or policy by the DoD, Department of Homeland Security, Department of Transportation, or the Federal Highway Administration.

g. Describe how the coordinator would envision making adjustments to fuel pricing.

h. One of the DTCI functional requirements is to maximize small and disadvantaged business utilization on this project. Please identify how and to what extent your company (this includes small business) envisions accomplishing this objective.

i. Explain how you envision the coordinator handling claims for lost, damaged, stolen or astray freight. Also, release value.

SECTION 6 - TIMELINES

a. Transition or ramp-up timelines. Describe your concerns with the transition from the current government process to a transportation management coordinator. Outline risks, potential mitigators, and timelines for transition.

b. Timeline information. From your experience, how much time is typically needed for training, coordination and business process change work, and other non-IT system work prior to accepting the first shipment for movement.

The USTRANSCOM DTCI PMO appreciates your time, effort, and expense in responding to this RFI. Please ensure your response is submitted IAW the instructions provided above and within the timeframe given. All responses received before the deadline specified will be thoroughly reviewed and considered. We look forward to your participation in this important initiative.